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Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, D/I

DATE: 15 September 1952

FROM : Acting Chief, I/IP

SUBJECT: Industrial Division Research on the Chinese Communist Economy.

1. During the summer the branches of the Industrial Division have been busy extending and improving their coverage of the industrial sector of the Chinese economy. More time has been expended on careful reading of Chinese economic materials and files have been enlarged and improved. The Chinese sections of research projects in progress have been expanded and improved by a greater time allocation to Chinese industry. All research projects planned for the next few months which have sections devoted to the Satellites will have enlarged sections devoted to China, allocating in one case as much as 50% of the time to China alone.

One branch has recently completed a project devoted solely to a segment of the Chinese economy. Eight projects involving research on China are in progress, and fifty six projects in toto are planned for initiation some time during the next few months in the division.

2. An itemized list of projects and activities in progress and planned involving research on China is as follows:

A. Weapons Branch

In progress:

109-51 "Input Requirements for the Armaments Industry in the Satellite Countries, excluding Armored Vehicles."

Planned:

#3A Component Part Production for Tanks and Self-propelled guns in the Satellites, including China (also review USSR requirements).

#4A Production of Military Fixed Bridging in USSR and Satellites.

#1B Input Requirements for the Production of Small Arms Weapons in the Satellites including China.

#3B Special Weapons Production in the USSR and Satellites.

#4B Production of Mechanized Engineering Equipment, Art Moving (including dozers, road graders, cranes and shovels, carry-alls, ditch diggers, compressors and wagon drills) in the USSR and Satellites.

#1C Input Requirements for the Production of Artillery Weapons in the Satellites.

#3C Fire Control and Military Optical Instrument Production in the USSR and Satellites.

#4C Production of Industrial Combat Equipment in USSR and Satellites. (QM Supplies)

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#5C Analysis of Armament Export-Import Complex of the Soviet Orbit.

#6C Production of Field Maintenance Equipment (ORD) in the USSR and Satellites.

#1D Production of Floating Bridging in the USSR and Satellites.

#2D Production of Field Fortification Material (principally barbed wire and pioneer chests) in the USSR and Satellites including China. (Negative report probable).

B. Shipbuilding Branch

The branch has recently completed one project involving a detailed study of the capabilities of port and internal shipbuilding facilities in China. The project is entitled:

CIA/RR 8 "The Shipbuilding Industry in Communist China."

No further projects on China are contemplated at the present time, but surveillance of incoming information is maintained on a current basis.

C. Production Equipment

Planned:

- #1B Forging Machinery Satellites and China.
- #2B Presses Satellites and China
- #3B Abrasives Satellites and China
- #4B Heavy Machine Tools Satellites and China
- #5B Special Purpose Machine Tools Satellites and China
- #6B Aircraft Production Machinery Satellites and China
- #7B Instruments Satellites and China
- #8B Foundry Equipment Satellites and China
- #9B Heat Treating Satellites and China
- #2C Overall Picture of Satellite and China Machine

Tool Industry.

#3C Monitoring Textile Industry USSR. Satellites and China.

#4C Monitoring Agricultural Machinery USSR, Satellites and China.

#6C Die Casting and Plastic Molding Machines Satellites and China.

D. Industrial Projects

In process:

Brief Survey of Chinese Engineering Industries.

Planned:

- #1A Engineering Industries of Shanghai.
- #2A Engineering Industries of Dairen.
- #3A Engineering Industries of Lanchow.

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E. Electrical Equipment

In process:

48-51 "Electric Wire and Cable Industry in the Soviet Orbit."

18-52 "The Soviet Bloc Production of Civilian Radio and Television Receivers."

20-52 "Soviet Bloc Turbine Industry."

Planned:

#1A Soviet Bloc Battery Industry including China.

#2A Special Military Devices of the Soviet Bloc including China.

#4A The Manufacture of Precision Rotating Electrical Equipment in the Soviet Bloc including China.

#5A Professional Electronic Equipment in the Soviet Bloc including China.

#6A The Production of Gas Turbines in the Soviet Bloc including China.

#7A Aircraft Electrical Equipment in the Soviet Bloc including China.

#1B Summary - The Electrotechnical Industry of the Satellites Countries including China.

#2B Electric and Electronic Test Equipment in the Soviet Bloc including China.

#3B The Telecommunications Equipment Industry in the Soviet Bloc including China.

#4B Military Electronic Equipment in the Soviet Bloc including China.

#5B The Production of Electrical Switchgear in the Soviet Bloc including China.

#6B The Production of Power Station Controls in the Soviet Bloc including China.

#1C The Production of Semi-Conductors in the Soviet Bloc including China.

#2C The Production of Electric Meters in the Soviet Bloc including China.

#1D Construction of Electronic Computers in the Soviet Bloc including China.

F. Capital Goods

In progress:

32-51 "Locomotive and Rolling Stock Production in the USSR and in the Satellite Countries."

Planned:

#6A Inputs into Railroad Equipment.

#7A Metallurgical Equipment - Blast Furnaces.

#9A Metallurgical Equipment - Steel Making and Melting Furnaces.

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- #10A Oil Refining and Chemical Processing Equipment.
- #11A Oil Refining and Chemical Processing Equipment.
- #12A Russian Policy with Respect to Investing in

Capital Goods.

- #13A Analysis of Tractor Output in the Soviet Bloc.
 - #2B Metallurgical Equipment - Rolling Mills.
 - #3B Automotive Equipment - Output.
 - #6B Locomotive and Rolling Stock Production in Particular
- Satellites (concurrently with 6A).
- #3C Passenger Cars and Trucks - Input Analysis.

G. Ammunition

In progress:

26-51 "Input Requirements of Ammunition Production in the Soviet Satellite Countries, including China."

Planned:

- #3B Input Requirements of the Ammunition Industry, China.

H. Aircraft

In progress:

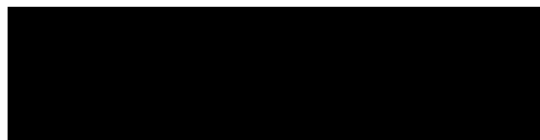
38-51 "Input Requirements of the Aircraft Industry of the USSR and the Satellites."

39-51 "Aircraft Instrument Production in the USSR and Satellites."

Planned:

#1B 13 Major Airframe Plant Studies in the USSR, 4 in Communist China, and 3 in the European Satellites.

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